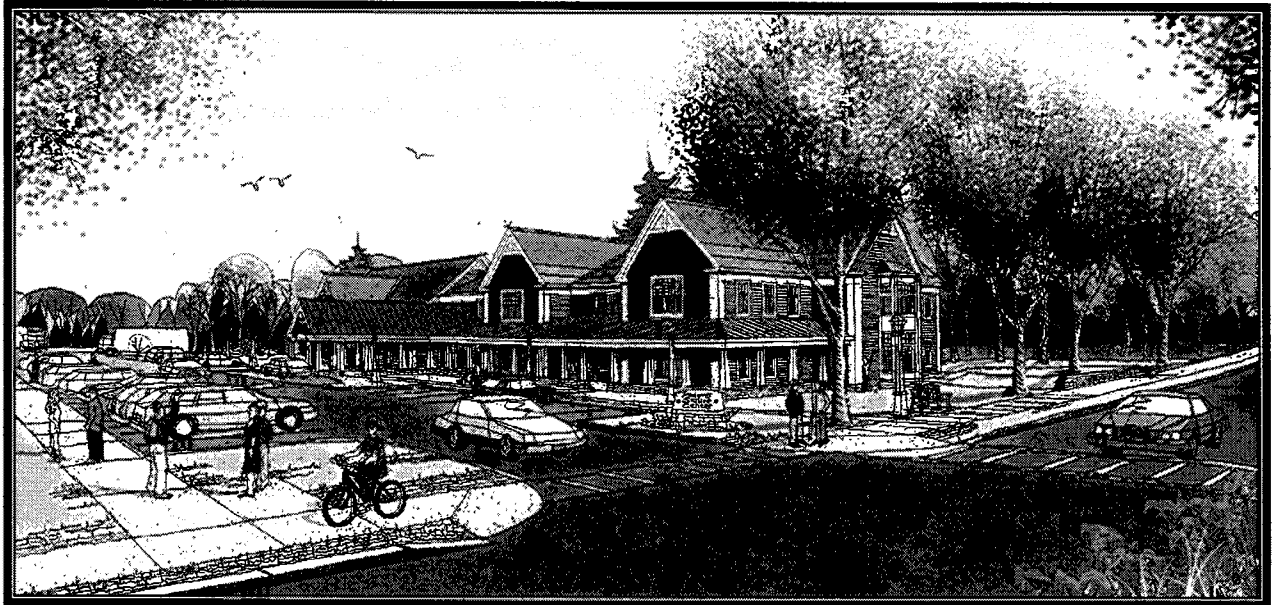


# TOWN OF ANDOVER



*Architect's rendering of the proposed Andover Senior Center on Bartlet Street*

## CAPITAL IMPROVEMENT PLAN FY2006 – FY2010

# CAPITAL IMPROVEMENT PROGRAM FY2006 - FY2010

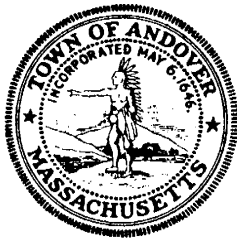


REGINALD S. STAPCZYNSKI, TOWN MANAGER  
OCTOBER 29, 2004



## TABLE OF CONTENTS

TOWN MANAGER'S SUBMITTAL LETTER.....	i
TOWN MANAGER'S RECOMMENDATIONS & FUNDING SUMMARY .....	1
PROJECT REQUESTS:	
GENERAL GOVERNMENT.....	5
MEMORIAL HALL LIBRARY.....	13
FIRE DEPARTMENT .....	16
POLICE DEPARTMENT.....	22
PLANT & FACILITIES .....	29
PUBLIC WORKS DEPARTMENT .....	41
SCHOOL DEPARTMENT.....	66
CITIZEN REQUESTS.....	75
 <u>APPENDICES:</u>	
CIP BYLAW, DEFINITIONS, AND FINANCIAL GOALS & OBJECTIVES .....	79
BUDGET PLANNING MODEL AND INFORMATION .....	87
WATER & SEWER ENTERPRISE BUDGET/RATE FORECASTS .....	97
DEBT INFORMATION – GENERAL & ENTERPRISE FUNDS .....	101
ANDOVER'S FISCAL OUTLOOK – MOODY'S INVESTORS SERVICE .....	115



# TOWN OF ANDOVER

Town Offices  
36 Bartlet Street  
Andover, MA 01810  
(978) 623-8200  
[www.town.andover.ma.us](http://www.town.andover.ma.us)

October 29, 2004

Brian P. Major, Chairman, and  
Members of the Board of Selectmen  
Town Offices  
Andover, MA 01810

Dear Mr. Major and Members of the Board:

I am pleased to present the Town Manager's Recommended Capital Improvement Program (CIP) for FY-2006 to FY-2010. This is the fourteenth annual Capital Improvement Program presented since the bylaw was passed at the 1991 Annual Town Meeting.

The development of the annual capital improvement process begins with the determination of the Town's ability to pay. This "ability" is shown numerically in the Budget Planning Model. The model is the projection of revenues and expenditures for the current year and the next two fiscal years. Recent double digit increases in the health insurance budget and high single digit increases in the SPED out-of-district line item have been included in the estimates. On the revenue side, any known increases or decreases in new growth, State Aid and local revenues such as auto excise taxes and licenses/permits are projected into the formula. For example, the new real estate tax growth is estimated to increase \$250,000 from \$1.75M in FY-05 to \$2.0M for FY-06. This increase recognizes the industrial building activity presently going on in Town.

State Aid is projected to grow at a modest amount due to the expectation that the Legislature will increase Chapter 70, Education Aid, by providing cities and towns with an additional \$50.00 per student per year increase. This legislation was approved by the Senate and awaits House action. If approved by the House and signed by the Governor, this will result in an additional \$300,000 in Chapter 70 funds.

Following this letter is a chart that shows the changes in certain revenue and expense categories over the past eight years. It is noteworthy to see that only small increases are projected in the revenues and somewhat higher increases are reflected in the expenses. This inequity places an increasing burden on the property tax.

During the course of the deliberation on the CIP this year, the Board of Selectmen has been asked by the Finance Committee to consider certain amendments to the Financial Goals and Objectives. The Finance Committee voted to recommend to the Selectmen that the definition of a capital project be changed from "Capital Project: An expenditure of \$15,000 or more for one of the following purposes:" to read "Capital Projects: An expenditure greater than \$15,000 or more with a useful life of more than one year." They also asked that the Selectmen formally incorporate the capital projects definition, found in the CIP document, into the Financial Goals and Objectives Statements.

These requests will be considered by the Board of Selectmen and the Town Manager and discussed with the Finance Committee and School Committee.

The Town Manager's Recommended Capital Improvement Program for FY-06 totals \$17,815,000. This is funded by the following revenue sources:

- \$2,177,000 – General Fund Revenue
- \$2,721,000 – General Fund Borrowing
- \$6,500,000 – General Fund – Exempt Borrowing
- \$961,000 – Special Dedicated Funds
- \$356,000 – Water Enterprise Reserves
- \$5,100,000 – Water Enterprise Borrowing

The following large projects are being recommended in the CIP:

- From General Fund – Revenue:
  - ~ Town and School Maintenance Projects - \$903,000.
  - ~ School Curriculum and Technology Projects - \$568,000.
  - ~ Vehicle Replacements - \$424,000.
- From General Fund – Borrowing:
  - ~ Minor Bridge Reconstruction - \$250,000.
  - ~ Moraine Street Safety Improvements - \$113,000.
  - ~ Major School Maintenance Projects - \$1,500,000.
  - ~ Reconstruction of Existing Sidewalks - \$858,000.
- From General Fund – Exempt Borrowing:
  - ~ Senior Center Construction Project - \$6,500,000.
- From Water Enterprise – Borrowing:
  - ~ Water Treatment Plant Improvements \$4,800,000.


The details of these and other projects as well as the \$2,177,000 Capital Projects Fund are shown on the pages that follow. There are two citizen requested CIP projects which are recommended as private warrant articles. One is for the replacement of street signs with ones that have larger print and the other is for the reconstruction of the Whittier Street sidewalks.

I will be presenting the CIP to the Board of Selectmen at their meeting on Monday, November 8<sup>th</sup>. The Board of Selectmen has scheduled the annual CIP public hearing for November 22<sup>nd</sup>. A Work Session with the Board of Selectmen, Finance Committee and School Committee will be held on December 6<sup>th</sup> and a meeting to adopt the CIP is scheduled for December 20<sup>th</sup>.

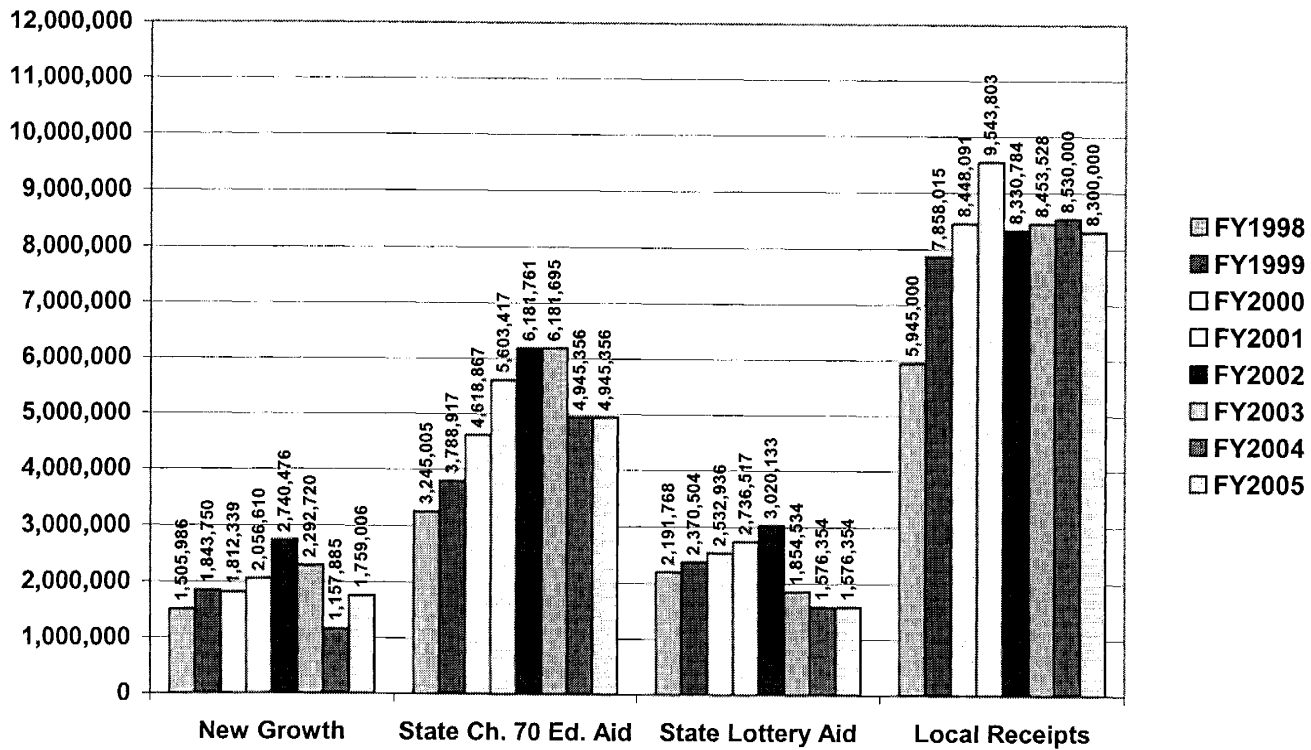
I want to thank the Department and Division Heads, the Superintendent of Schools, School Business Administrator and staff for their participation in the capital budgeting program. First, they requested projects, then justified them in front of their peers and finally, had to meet with the Finance and Budget team for further scrutiny. Their time and effort to bring this CIP to the Board of Selectmen and Finance Committee is appreciated.

Recommendations presented in this CIP are the first steps in a parade of meetings leading up to the Annual Town Meeting in April. I look forward to reviewing these recommendations with the elected and appointed Town officials who, together with me, are charged with presenting and/or recommending a balanced set of capital budget requests to the voters at our Annual Town Meeting.

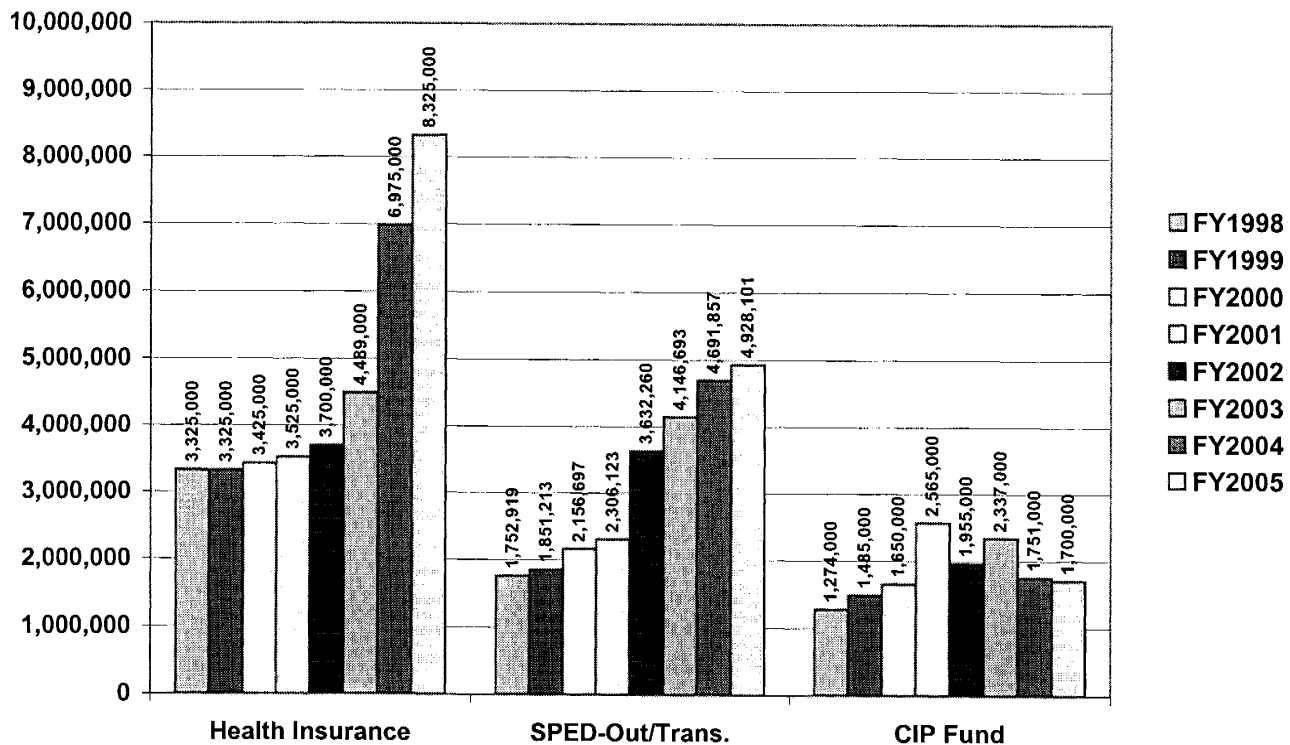
Very truly yours,

  
Reginald S. Stapczynski  
Town Manager

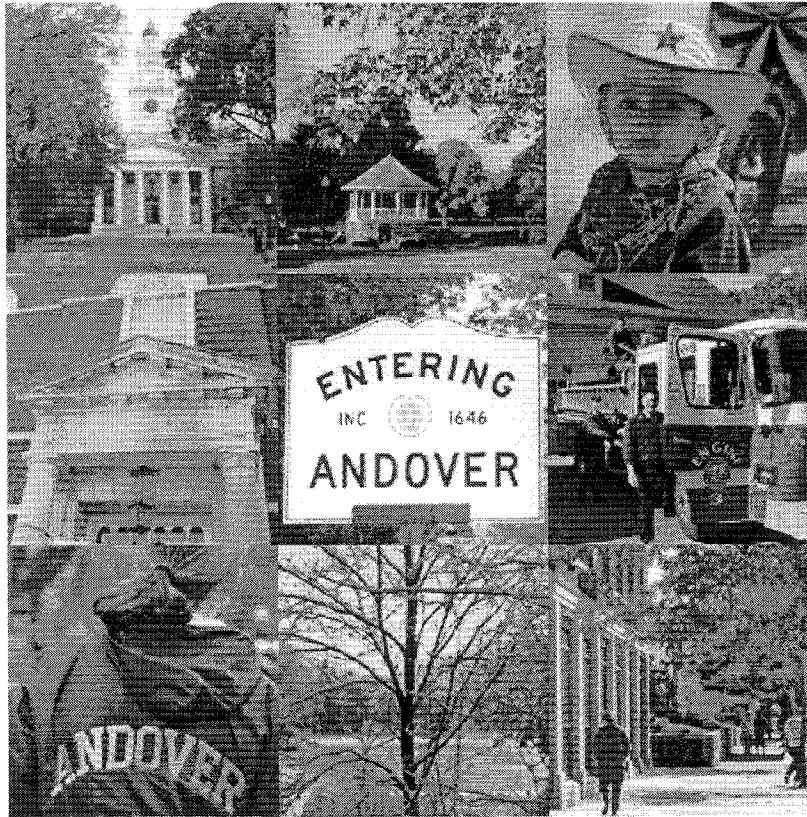
## FY98-FY05 Change in Certain Revenues



## FY98-FY05 Change in Certain Expenses



# TOWN MANAGER'S RECOMMENDATIONS AND FUNDING SUMMARY





## **FY2006 CAPITAL IMPROVEMENT PROGRAM (CIP)**

### **TOWN MANAGER'S RECOMMENDATIONS AND FUNDING SUMMARY**

The Town's department and division Heads submitted CIP requests totaling \$23 million for FY2006. Those requests were thoroughly discussed and considered during a number of group and internal review sessions. Based on the results of those sessions and the availability of funds, the Town Manager recommends a CIP totaling \$17,815,000 for FY2006 from the following funding sources:

General Fund Revenue:	\$2,177,000
General Fund Borrowing:	\$2,721,000
General Fund Exempt Borrowing:	\$6,500,000
Special Dedicated Funds:	\$ 961,000
Water Enterprise Reserves:	\$ 356,000
Water Enterprise Borrowing:	<u>\$5,100,000</u>

<b>Total Town Manager's FY06 CIP Recommendation:</b>	<b>\$17,815,000</b>
------------------------------------------------------	---------------------

#### **From General Fund Revenue:**

It is recommended that the following projects be funded with General Fund Revenue. This is the annual "pay-as-you-go" funding from FY2006 tax dollars which will be presented as the Article 5 Capital Projects Fund appropriation:

FIN-1	Telephone Equipment	\$ 64,000
FIN-2	Town Technology	\$ 75,000
F-1	Fire Vehicles	\$ 28,000
LIB-1	Library CCTV System	\$ 25,000
P&F-1	Town Projects – Building Division	\$ 250,000
P&F-2	Town Projects – PH&E Division	\$ 212,000
P&F-4	Town & DPW Vehicles	\$ 240,000
P&F-6	Wood Park Restoration Plan	\$ 25,000
P&F-7	Town Yard – Short term	\$ 75,000
P-2	Police Vehicle Replacement	\$ 156,000
P-4	Weapon Replacement	\$ 18,000
SCH-1	Health & Safety	\$ 360,000
SCH-2	Curriculum & Instruction	\$ 568,000
SCH-3	General Maintenance	<u>\$ 81,000</u>

<b>Total from General Fund Revenue</b>	<b>\$2,177,000</b>
----------------------------------------	--------------------

**From General Fund Borrowing:**

It is recommended that the following projects be funded by General Fund Borrowing:

DPW-1	Minor Bridge Reconstruction	\$ 250,000
DPW-7	Moraine Street Safety Improvements	\$ 113,000
DPW-10	Reconstruction of Existing Sidewalks	\$ 858,000
SCH-4	Major Maintenance Projects	<u>\$1,500,000</u>
<b>Total from General Fund Borrowing</b>		<b>\$2,721,000</b>

**From General Fund Exempt Borrowing:**

It is recommended that the following project be funded by General Fund Exempt Borrowing:

ES-1	Senior Center Construction Project	<u>\$6,500,000</u>
<b>Total from General Fund Exempt Borrowing</b>		<b>\$6,500,000</b>

**From Special Dedicated Funds:**

It is recommended that the following projects be funded from three of the Special Dedicated Funds (Chapter 90 Receipts, Field Maint. Revolving Fund, and the Parking Meter Fund):

DPW-2	Major Annual Road Maintenance	\$ 821,000
P&F-5	Athletic Field Renovation	\$ 30,000
P-1	Parking Meter Program	<u>\$ 110,000</u>
<b>Total from Special Dedicated Funds</b>		<b>\$ 961,000</b>

**From Water Enterprise Reserves:**

It is recommended that the following projects be funded by Water Enterprise Reserves:

DPW-4	Water System Security	\$ 50,000
DPW-8	Water Distribution Improvements	\$ 250,000
DPW-18	Water Vehicles	<u>\$ 56,000</u>
<b>Total from Water Enterprise Reserves</b>		<b>\$ 356,000</b>

**From Water Enterprise Borrowing:**

It is recommended that the following projects be funded by Water Enterprise Borrowing:

DPW-5	Water Treatment Plant Improvements	\$4,800,000
DPW-9	Water System Supply Improvements	<u>\$ 300,000</u>
<b>Total from Water Enterprise Borrowing</b>		<b>\$5,100,000</b>

**TOWN OF ANDOVER**  
**TOWN MANAGER'S RECOMMENDED CAPITAL IMPROVEMENT PROGRAM FOR FY2006**  
**(AND ANTICIPATED DEPARTMENTAL CAPITAL NEEDS FY07-FY10)**

**DEPARTMENT REQUESTS**

*Revised*

Rqst. #	Source	Page No.	Request Title	Dept. Rqt. FY2006	TM's Rec FY2006	Dept. Rqt. FY2007	Dept. Rqt. FY2008	Dept. Rqt. FY2009	Dept. Rqt. FY2010
DPW-1	GFB	42	Minor Bridge Reconstruction	\$250,000	\$250,000		\$250,000		
DPW-2	SDF	43	Major Annual Road Maintenance	\$821,000	\$821,000	\$821,000	\$821,000	\$821,000	\$821,000
DPW-3	SEB	44	Sanitary Sewer Replacement	\$100,000	\$0	\$100,000	\$100,000	\$100,000	\$100,000
DPW-4	WER	45	Water System Security	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
DPW-5	WEB	46	Water Treatment Improvements, Phase II-A	\$4,800,000	\$4,800,000				
DPW-6	WEB/SEB	47	Water Meter Replacement Program	\$900,000	\$0	\$900,000			
DPW-7	GFB	48	Moraine Street Safety Improvements	\$113,000	\$113,000				
DPW-8	WER	49	Water Distribution Improvements	\$250,000	\$250,000	\$500,000	\$500,000	\$500,000	\$500,000
DPW-9	WEB	50	Water System Supply Improvements	\$1,300,000	\$300,000	\$1,000,000			
DPW-10	GFB	51	Reconstruction of Existing Sidewalks	\$858,000	\$858,000	\$1,104,000	\$857,000	\$989,000	\$905,000
DPW-11	GFB	53	High Plain Rd. Reconstruction at Fish Brook				\$900,000		
DPW-12	GFB	54	New Sidewalk Construction			\$831,000	\$733,000	\$1,183,000	\$279,000
DPW-13	GFR	56	Minor Storm Drainage Improvements			\$300,000		\$300,000	
DPW-14	WEB	57	WTP Improvements, Phase II-B			\$1,430,000			
DPW-15	GFR	58	Storm Water Management			\$75,000	\$75,000		
DPW-16	GFB	60	Deyermund Field Expansion			TBD			
DPW-17	GFB	62	Town Yard - Land Acquisition			TBD			
DPW-18	WER	64	Water & Sewer Vehicles	\$84,000	\$56,000	\$84,000	\$73,000		\$201,000
ES-1	GEB	6	Senior Center Construction Project	\$6,500,000	\$6,500,000				
FIN-1	GFR	9	Telephone Equipment	\$100,000	\$64,000				
FIN-2	GFR	10	Town Technology Infrastructure	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
F-1	GFR	17	Fire Vehicles	\$82,000	\$28,000	\$438,000	\$100,000	\$211,000	
F-2	GEB	20	Upgrade West Fire Station			\$2,000,000			
F-3	GEB	21	Replace Ballardvale Fire Station				\$4,000,000		
LIB-1	GFR	14	Library CCTV System	\$50,000	\$25,000	\$25,000			
P&F-1	GFR	30	Town Projects - Building Division	\$254,000	\$250,000	\$200,000	\$165,000	\$115,000	\$90,000
P&F-2	GFR	32	Town Projects - PH&E Division	\$295,000	\$212,000	\$250,000	\$400,000	\$100,000	\$100,000
P&F-3	SDF	34	Town Projects - Parks, Grounds & Cemetery	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$15,000
P&F-4	GFR	35	Town & DPW Vehicles	\$639,000	\$240,000	\$1,526,000	\$488,000	\$552,000	\$576,000
P&F-5	SDF	38	Athletic Field Renovation	\$30,000	\$30,000				
P&F-6	GFR	39	Wood Park Restoration Plan	\$25,000	\$25,000	TBD			
P&F-7	GFR	40	Town Yard - Short term	\$75,000	\$75,000	\$300,000			
P-1	SDF	23	Parking Meter Program	\$110,000	\$110,000	\$54,000	\$76,000		
P-2	GFR	24	Police Vehicle Replacement	\$207,000	\$156,000	\$264,000	\$264,000	\$274,000	\$274,000
P-3	GFR	26	Wellness Program	\$50,000	\$0				
P-4	GFR	27	Weapon Replacement	\$18,000	\$18,000	\$19,000			
P-5	GFR	28	Car Wash System	\$30,000	\$0				
SCH-1	GFR	67	Health & Safety	\$801,000	\$360,000	\$2,012,000	\$557,000	\$482,000	\$482,000
SCH-2	GFR	69	Curriculum & Instruction	\$1,310,600	\$568,000	\$1,774,866	\$2,004,839	\$2,400,806	\$2,875,968
SCH-3	GFR	71	General Maintenance	\$1,359,000	\$81,000	\$1,730,000	\$421,000	\$135,000	\$135,000
SCH-4	GFB	73	Major Maintenance Projects	\$1,500,000	\$1,500,000				
TC-1	GFR	12	Voting Equipment			\$54,000			
<b>Total All Departments</b>				<b>\$23,051,600</b>	<b>\$17,815,000</b>	<b>\$17,931,866</b>	<b>\$12,924,839</b>	<b>\$8,302,806</b>	<b>\$7,478,968</b>

**CITIZEN REQUESTS**

Rqst. #	Funding Source	Request Title	CIT. Rqt. FY2006
CIT-1	76	Street Signs with Larger Letters	???
CIT-2	77	Whittier Street Sidewalks	\$400,000

**TM's Recommended FY06 CIP - By Funding Source**

GFR	= General Fund - Revenue	\$2,177,000
GFC	= General Fund - Free Cash	\$0
GFB	= General Fund - Borrowing	\$2,721,000
GEB	= General Fund - Exempt Borrowing	\$6,500,000
SDF	= Special Dedicated Funds (Ch.90, Prkg. Mtr., etc.)	\$961,000
SER	= Sewer Enterprise - Reserves	\$0
SER	= Sewer Enterprise - Borrowing	\$0
WER	= Water Enterprise - Reserves	\$356,000
WEB	= Water Enterprise - Borrowing	\$5,100,000
<b>Total FY06 Requests - All Funding Sources</b>		<b>\$17,815,000</b>